

November 6, 2006

FOR IMMEDIATE RELEASE

**PUBLIC SERVICE COMMISSION TO HOLD EIGHT FIELD HEARINGS
ON KINDER MORGAN RATE INCREASE APPLICATION**

LINCOLN – The Nebraska Public Service Commission will conduct eight hearings in central and western Nebraska in late November and early December to give natural gas customers of Kinder Morgan an opportunity to testify on the company's application for a general rate increase.

Kinder Morgan serves residents in 182 municipalities in the western two-thirds of the state. Four of the hearings will be November 29 and 30 in the Commission's 4th District and the other four hearings will be December 6, 7 and 8 in District 5.

District 4 Commissioner Rod Johnson of Sutton announced hearings to be held as follows:

- ■ Coleridge, Community Center, 111 South Main Street, November 29, 11 a.m.;
- ■ Albion, Knights of Columbus Hall, November 29, 6 p.m.;
- ■ Wood River, Babel's Barn, 510 West Old Military Road, November 30, 11 a.m.;
- ■ Clay Center, Clay County Activity Center, Clay County Fairgrounds, 701 North Martin, November 30, 6 p.m.

District 5 Commissioner Jerry Vap of McCook announced hearings to be held as follows:

- ■ Gering, Gering Civic Center, 1050 M Street, December 6, 7 p.m.;
- ■ Ogallala, Grey Goose Lodge, 201 Chuckwagon Road, December 7, 11 a.m.;
- ■ McCook, McCook Senior Center, 1400 West Fifth Street, December 7, 7 p.m.;
- ■ Holdrege, Fraternal Order of Eagles Club, 223 West Avenue, December 8, 11 a.m.

In its rate filing, Kinder Morgan proposed increasing monthly residential and commercial service charges while simplifying and decreasing its distribution charge. Monthly residential

service charges would increase from \$3-\$7 to \$13.50-\$15.50 depending on the community. The commercial service charges would increase from \$4-\$8 to \$22.10-\$24.10.

Commissioner Vap, who is the hearing officer for the case, said persons wishing to testify will be sworn in and their comments made a part of the record at all eight sites. A hearing in Lincoln will begin December 18 at the Commission Hearing Room starting at 9:30 a.m. and continue through December 21 as needed. The Lincoln hearing will include evidence put on by Kinder Morgan and Public Advocate Roger Cox, who is an attorney representing customers in the proceeding.

Vap said, "Extending the hearings to eight regional sites will give people an opportunity to comment who otherwise might not be able to come to Lincoln." The hearings will be formal with persons being sworn in before offering testimony, a court reporter, Commission staff, and a minimum of three of Nebraska's five Commissioners.

Johnson said it is the first rate increase filed by Kinder Morgan since the Legislature placed Nebraska's three privately-owned natural gas companies under the jurisdiction of the Commission in 2003. "We want to make this procedure as consumer friendly as possible by going out to the affected areas of the state that Kinder Morgan serves," Johnson said.

Vap and Johnson said that based on the evidence received, the Commission will make a determination of Kinder Morgan's rate increase. Under law, Kinder Morgan may collect the new rates although the increase is subject to refund if it is denied or granted only in part by the Commission. The process of reviewing a rate increase takes seven to nine months.

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